

§ 764.155

(b) *Terms.* The Agency schedules repayment of an FO loan based on the applicant's ability to repay and the useful life of the security. In no event will the term be more than 40 years from the date of the note.

§ 764.155 Security requirements.

An FO loan must be secured:

(a) In accordance with §§ 764.103 through 764.106;

(b) At a minimum, by the real estate being purchased or improved.

§§ 764.156–764.200 [Reserved]

Subpart E—Beginning Farmer “Downpayment Loan Program.”

EFFECTIVE DATE NOTE: At 73 FR 74345, Dec. 8, 2008, the heading for subpart E was revised to read “Downpayment Loan Program,” effective January 7, 2009.

§ 764.201 Beginning Farmer Downpayment loan uses.

Beginning Farmer Downpayment loan funds may be used to partially finance the purchase of a family farm by an eligible beginning farmer.

EFFECTIVE DATE NOTE: At 73 FR 74345, Dec. 8, 2008, § 764.201 was amended by removing the words “Beginning Farmer” from the heading and by removing the words “Beginning Farmer” the first time they appear in the undesignated paragraph and by adding the words “or socially disadvantaged farmer” at the end, effective January 7, 2009.

§ 764.202 Eligibility requirements.

The applicant must:

(a) Comply with the general eligibility requirements established at § 764.101 and the FO eligibility requirements of § 764.152; and

(b) Be a beginning farmer.

EFFECTIVE DATE NOTE: At 73 FR 74345, Dec. 8, 2008, § 764.202 was amended by adding the words “or socially disadvantaged farmer” to the end of paragraph (b), effective January 7, 2009.

§ 764.203 Limitations.

(a) The applicant must:

(1) Comply with the general limitations established at § 764.102; and

(2) Provide a minimum downpayment of 10 percent of the purchase price of the farm.

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(b) The purchase price or appraised value of the farm, whichever is lower, must not exceed \$250,000.

(c) Beginning Farmer Downpayment loans will not exceed 40 percent of the lesser of the purchase price or appraised value of the farm to be acquired.

(d) Financing provided by the Agency and all other creditors must not exceed 90 percent of the lesser of the purchase price or appraised value of the farm and may be guaranteed by the Agency under part 762 of this chapter.

EFFECTIVE DATE NOTE: At 73 FR 74345, Dec. 8, 2008, § 764.203 was amended by removing the number “10” and adding in its place, the number “5” in paragraph (a)(2), by revising paragraphs (b) and (c), and by removing paragraph (d), effective January 7, 2009. For the convenience of the user, the revised text is set forth as follows:

§ 764.203 Limitations.

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(b) Downpayment loans will not exceed 45 percent of the lesser of:

(1) The purchase price,

(2) The appraised value of the farm to be acquired, or

(3) \$500,000.

(c) Financing provided by the Agency and all other creditors must not exceed 95 percent of the purchase price. Financing provided by eligible lenders may be guaranteed by the Agency under part 762 of this chapter.

§ 764.204 Rates and terms.

(a) *Rates.* The interest rate for Beginning Farmer Downpayment loans shall be 4 percent.

(b) *Terms.* (1) The Agency schedules repayment of Beginning Farmer Downpayment loans in equal, annual installments over a term not to exceed 15 years.

(2) The non-Agency financing must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 15 years of the loan.

EFFECTIVE DATE NOTE: At 73 FR 74345, Dec. 8, 2008, § 764.204 was amended by revising paragraph (a), by remove the words “Beginning Farmer” from paragraph (b)(1), and by removing the number “15” and adding in its place, the number “20” in paragraphs (b)(1) and (2), effective January 7, 2009. For the convenience of the user, the revised text is set forth as follows: